

Message Text

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PAGE 01 CANBER 04925 141005Z
ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 NEA-10 AID-05 CIAE-00
COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
NSC-05 SS-15 STR-04 CEA-01 L-03 H-01 PA-01 PRS-01
IO-13 /117 W

-----049101 141114Z /15

R 140718Z JUL 77
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 884
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MANILA
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY TOKYO
AMEMBASSY WELLINGTON

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MANILA ALSO FOR USADB

EO 11652: NA
TAGS: ADB, EGEN, EFIN, AS
SUBJ: ADB, LIKELY TO CUT LENDING RATE

REF: STATE 156569

1. EMBOFF PRESENTED TALKING POINTS BASED ON PARA 6 OF REFTEL TO J.W. KEANY, ASSISTANT SECRETARY, INTERNATIONAL DEVELOPMENT FINANCE BRANCH, THE TREASURY.
2. KEANY SAID THAT WHILE GOA COULD NOT GIVE FIRM BACKING TO US POSITION UNTIL AFTER THEY HAD THOROUGHLY EXAMINED EXPECTED STAFF PAPER, THEY WERE FIRMLY "AT ONE WITH THE LIMITED OFFICIAL USE

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PAGE 02 CANBER 04925 141005Z

U.S." ON DESIRE KEEP ADB ON SOUND FINANCIAL GROUNDS IN ORDER THAT MAY CONTINUE ENJOY RESPECT OF INTERNATIONAL FINANCIAL COMMUNITY.

3. KEANY SAID THAT HE WAS SOMEWHAT SURPRISED AT STATE-MENT IN PARA 6(C) OF REFTEL THAT ADB ADMINISTRATIVE COSTS AMOUNTED TO AN ESTIMATED 65 BASIS POINTS. HE

SAID THAT IT HAD BEEN HIS UNDERSTANDING THAT ADB ADMINISTRATIVE COSTS CAME TO 28 BASIS POINTS AND THAT IT ON THIS GROUNDS THAT 8.7 PERCENT LENDING RATE HAD BEEN SET, I.E., 8.43 PERCENT FOR COST OF MONEY PLUS 0.28 PERCENT FOR ADMINISTRATIVE COSTS EQUALS 8.7 PERCENT ROUNDED OFF. EMBOFF STATED THAT WHILE HE THOUGHT IT UNLIKELY THAT ADB ADMINISTRATIVE COSTS WOULD BE 22 BASIS POINTS LESS THAN IBRD RATE OF 50 BASIS POINTS, HE WOULD ASK FOR CLARIFICATION FROM WASHINGTON AND USADB. KEANY SAID HE WOULD ALSO SEEK CLARIFICATION ON THIS POINT FROM AUSTRALIAN DIRECTOR TO ADB, HEINRICH. KEANY SAID THAT IF ADMINISTRATIVE COSTS INDEED IN AREA OF 65 BASIS POINTS AND NOT 28, US COULD PROBABLY EXPECT FULL AUSTRALIAN SUPPORT FOR KEEPING LENDING RATE AT 8.7 PERCENT.

4. KEANY ALSO EXPRESSED PLEASES SURPRISE AT STATEMENT IN PARA 6(G) OF REFTTEL TO EFFECT THAT ADB ENJOYED RESPECT OF MEMBERS OF CONGRESS FOR ITS PRUDENT MANAGEMENT. HE SAID HE GLAD PRESENT ADMINISTRATION FELT SUFFICIENTLY CONFIDENT TO PUT THIS IN BLACK AND WHITE.
ALSTON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER04925
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770250-0967
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770759/aaaabybp.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8f29d76b-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 156569
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1865498
Secure: OPEN
Status: NATIVE
Subject: ADB, LIKELY TO CUT LENDING RATE
TAGS: EGEN, EFIN, AS, US, ADB
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8f29d76b-c288-dd11-92da-001cc4696bcc
Review Markings:
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